

**VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM  
VERMONT STATE TEACHERS' RETIREMENT SYSTEM  
VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

**JOINT Meeting of the Boards  
MAY 31, 2006**

**VSERS Members present:**

JEB SPAULDING, Vice-Chairperson, VT State Treasurer  
WILLIAM HARKNESS, VSEA member (term expiring September 2007)  
LINDA McINTIRE, Commissioner of Human Resources  
JAMES REARDON, Commissioner of Finance & Management  
DICK JOHANNESSEN, Governor's Delegate  
JOE HEALY, Retired Vermont State Employees' Association

**VSERS Member(s) absent:**

WARREN WHITNEY, Chairperson, VSEA member (term expiring September, 2006)  
ROBERT HOOPER, VSEA member (term expiring September 2006)

**VSTRS Members present:**

JOSEPH MACKEY, Chairperson (Active No. 29334), term expiring July 1, 2009  
JON HARRIS, Vice-Chairperson (Active No. 25669), term expiring July 1, 2007  
JAY KAPLAN, Association of Retired Teachers of Vermont, term expiring July 1, 2008  
THOMAS CANDON, representing Commissioner of BISHCA  
VAUGHN ALTEMUS, representing Commissioner of Education  
JEB SPAULDING, VT State Treasurer

**VSTRS Member(s) absent:**

None

**VMERS Members present:**

STEVEN JEFFREY, Chairperson, Employee Representative (term expiring July 1, 2007)  
MARIE DUQUETTE, Governor's delegate  
JEB SPAULDING, Vermont State Treasurer

**VMERS Member(s) absent:**

W. JOHN MITCHELL, II, Employee Representative (term expiring July 1, 2008)  
DAVID LEWIS, Vice-Chairperson, Employer Representative (term expiring July 1, 2006)

**Also attending:**

Donna Holden, Board Coordinator  
Elizabeth Pearce, Deputy Treasurer  
William Griffin, Chief Assistant Attorney General

The Vice-Chairperson of the VSERS, Jeb Spaulding, called the Wednesday, May 31, 2006, meeting to order at 2:14 p.m., which was held in the 4<sup>th</sup> Floor Conference Room at 109 State Street, Montpelier, VT.

The Chairperson of the VSTRS, Joe Mackey, called the Wednesday, May 31, 2006, meeting to order at 2:14 p.m., which was held in the 4<sup>th</sup> Floor Conference Room at 109 State Street, Montpelier, VT.

The Chairperson of the VMERS, Steve Jeffrey, called the Wednesday, May 31, 2006, meeting to order at 2:14 p.m., which was held in the 4<sup>th</sup> Floor Conference Room at 109 State Street, Montpelier, VT.

**ITEM 1:      Discuss/Act on Actuarial Review RFP Selection**

Ms. Pearce provided an overview of the RFP, evaluation, and selection process. She said Mr. Kaplan and Mr. Mackey joined Mrs. Webster and her during the interview process.

Ms. Pearce recommended, based on the respondent submissions, that a full replication audit be conducted by Gabriel Roeder Smith & Company, at a cost of \$78K, and the cost be allocated based on the FY '07 approved allocation of VSERS 36.5%, VSTRS 44.59%, and VMERS 18.92%.

**On a motion by Ms. Duquette seconded by Mr. Jeffrey, the VMERS Board unanimously voted to offer a \$78K contract to Gabriel Roeder Smith & Co for a full replication audit, with cost to be split at the FY '07 approved percentages, and contingent upon required administrative approvals.**

**On a motion by Mr. Harris seconded by Mr. Altemus, the VSTRS Board unanimously voted to offer a \$78K contract to Gabriel Roeder Smith & Co for a full replication audit, with cost to be split at the FY '07 approved percentages, and contingent upon required administrative approvals.**

**On a motion by Mrs. Duquette seconded by Mr. Jeffrey, the VMERS Board unanimously voted to offer a \$78K contract to Gabriel Roeder Smith & Co for a full replication audit, with cost to be split at the FY '07 approved percentages, and contingent upon required administrative approvals.**

**ITEM 2:      Any other Business to Come Before the VSERS and VMERS Boards**

None

**Adjournment:**

**On a motion by Mr. Healy seconded by Mr. Johannesen, the VSERS Board unanimously voted to adjourn at 2:26 p.m.**

**On a motion by Mr. Spaulding seconded by Ms. Duquette, the VMERS Board unanimously voted to adjourn at 2:26 p.m.**

**ITEM 3:      Any other Business to Come Before the VSTRS Board**

The Board discussed the appropriateness and whether the legislature had the authority to direct the spending of Trust Fund money for special studies, as required in H.881.

**Mr. Kaplan made a motion seconded by Mr. Mackey, to request an opinion from the Attorney General's Office on whether the legislature has the authority to direct appropriated Trust Fund money for the purpose of the Treasurer's health care study.**

Discussion ensued. **Mr. Kaplan withdrew his motion. Mr. Mackey withdrew his second.**

**Mr. Kaplan made a motion to request an opinion from the Attorney General's Office on whether the legislature has the authority to direct money in the retirement fund for other uses than expenses of the retirement plan, and that the budget adjustment be used to provide for reallocation of the VSTRS portion of the study cost. *Motion failed due to a lack of a second.***

Mr. Griffin stated his opinion that the legislature did, indeed, have the authority to direct the Treasurer to conduct the pension and health care study, and to use the approved amount of up to \$100K to conduct the study.

**The Board briefly discussed the agenda items for their next meeting on June 23, 2006, at 9:00 a.m.**

**On a motion by Mr. Harris seconded by Mr. Candon, the VMERS Board unanimously voted to adjourn at 2:50 p.m.**

Respectfully submitted,

Donna Holden  
Board Coordinator